

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO. 2012-00081
FILING OF NEBO WATER DISTRICT)

O R D E R

On March 5, 2012, Nebo Water District ("Nebo") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Nebo purchases water from the City of Madisonville ("Madisonville").
2. On March 15, 2012, Madisonville decreased its wholesale water rate to Nebo from \$3.95 per 1,000 gallons to \$3.63 per 1,000 gallons.
3. During the 12 months ending December 31, 2011, Nebo purchased 167,833,000 gallons of water and sold 135,918,000 gallons. The decrease in the cost of purchased water is \$53,706.56 and requires a purchased water adjustment of (\$0.39) per 1,000 gallons.
4. On March 15, 2012, Nebo decreased its water rates by \$0.39 per 1,000 gallons. This decrease is commensurate with the decrease from its wholesale supplier.

¹ KRS 278.015 and 807 KAR 5:068.

5. Nebo's proposed rates are fair, just, and reasonable and should be approved.

6. The proposed purchased water adjustment of (\$0.39) per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

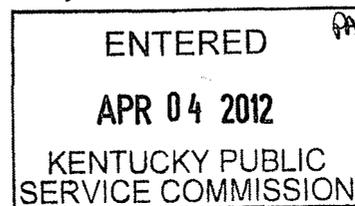
1. Nebo's proposed rates are accepted.

2. The purchased water adjustment of (\$0.39) per 1,000 gallons as calculated in Appendix A is approved.

3. The rates in Appendix B are approved for service rendered on and after March 15, 2012.

4. The tariff sheet filed by Nebo is approved as filed.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00081 DATED **APR 04 2012**

	New Rate	Base Rate	
Nebo Water			
Purchases in gallons	167,833,000	167,833,000	
Volumetric rate	<u>\$ 3.63/1,000</u>	<u>\$ 3.95/1,000</u>	
	\$609,233.79	\$ 662,940.35	
		Decreased water cost	\$53,706.56
Decreased water cost		\$ 53,706.56	
Divided by gallons sold		<u>135,918,000</u>	
Purchased water adjustment factor		(\$0.39) per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00081 DATED **APR 04 2012**

The following rates and charges are prescribed for the customers in the area served by Nebo Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" X 3/4" Meter

First	2,000	Gallons	\$	18.61	Minimum Bill
Next	2,000	Gallons		7.51	per 1,000 gallons
Next	6,000	Gallons		7.06	per 1,000 gallons
Next	10,000	Gallons		6.63	per 1,000 gallons
Over	20,000	Gallons		6.18	per 1,000 gallons

1" Meter

First	4,000	Gallons	\$	33.63	Minimum Bill
Next	6,000	Gallons		7.06	per 1,000 gallons
Next	10,000	Gallons		6.63	per 1,000 gallons
Over	20,000	Gallons		6.18	per 1,000 gallons

1-1/2" Meter

First	10,000	Gallons	\$	75.99	Minimum Bill
Next	10,000	Gallons		6.63	per 1,000 gallons
Over	20,000	Gallons		6.18	per 1,000 gallons

2" Meter

First	20,000	Gallons	\$	142.29	Minimum Bill
Over	20,000	Gallons		6.18	per 1,000 gallons

3" Meter

First	30,000	Gallons	\$	204.09	Minimum Bill
Over	30,000	Gallons		6.18	per 1,000 gallons

4" Meter

First	50,000	Gallons	\$	327.69	Minimum Bill
Over	50,000	Gallons		6.18	per 1,000 gallons

Michael L Overby
Public Accountant & Consultant
2201 Westerfield Drive, Suite C
Providence, KENTUCKY 42450